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PAY SETTING



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This instruction implements AFI 36-8, *Employee Benefits and Entitlements*, by prescribing the Air Force policy for setting pay rates for appropriated fund civilian employees paid under the General Schedule (GS) or under the Federal Wage System (FWS). This instruction also applies to Air National Guard Title 5, United States Code, employees. The instruction also prescribes rules for handling overtime; and procedures for approving recruitment and relocation bonuses, retention allowances, and supervisory differentials. It applies to all commanders, civilian personnel officers, staff officers, and supervisors of US civilian employees who are covered by the GS and FWS. See [Attachment 1](#) for explanation of terms used in this instruction.

(USAFE) This supplement implements and extends the guidance of AFI 36-802, *Pay Setting*, 1 September 1998. This publication applies to all US Appropriated Fund personnel whose owning command is United States Air Forces Europe (USAFE). Users of this supplement should read it in conjunction with AFI 36-802, *Pay Setting*. This supplement provides management guidance on the use of pay setting for US civilian employees in USAFE. It also provides guidance and instruction on

use of incentives such as mandating the use of Highest Previous Rate and Maximum Payable Rate for pay setting purposes for all applicable personnel actions; adding USAFE criteria for superior qualification determinations; adding USAFE criteria for Student Loan Repayment Program; and addressing Permanent Change of Station (PCS) as an incentive. Refer recommended changes and questions about this publication to the Office of Primary Responsibility (OPR) using the AF Form 847, *Recommendation for Change of Publication*. This instruction does not apply to Air Force Reserve Command (AFRC) or Air National Guard (ANG) units. Ensure that all records created as a result of processes prescribed in this publication are maintain in accordance with Air Force Manual (AFMAN) 33-363, Management of Records, and disposed of in accordance with Air Force Records Information Management System (AFRIMS) Records Disposition Schedule (RDS) located at: <https://www.my.af.mil/afrims/afrims/afrims/rims.cfm>.

SUMMARY OF CHANGES

This interim change (IC) 98-1 provides for certain responsibilities on the part of commanders in managing civilian overtime and compensatory time. It also prescribes AF Form 428, Request for Overtime, Holiday Premium Pay and Compensatory time.

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Chapter 1

SETTING PAY RATES

1.1. Authority and Guidelines for Pay Setting. Authority to set pay rates rests with the appointing authority. The Director, Civilian Personnel Operations, Air Force Personnel Center (AFPC) or civilian personnel officer, acts for the appointing authority. Pay is set in accordance with the following guidelines.

- Spend employment funds economically.
- Don't pay more than needed to attract qualified individuals.
- Pay employees fairly and equitably.
- Consider:
 - Local conditions that affect recruiting and retaining qualified employees.
 - How one employee's pay might affect other employees.
 - The qualifications, skills, and service history of the employee compared to the requirements of the job.

1.2. Setting Pay Rates. (*NOTE:* Use the following policies in conjunction with 5 CFR, Part 531, Subpart B and 5 CFR, Part 532, Subpart D.)

1.2.1. Selecting Rates. The Director, Civilian Personnel Operations, AFPC, or civilian personnel officers (until servicing is assumed by the AFPC) or members of their staff are authorized to select the proper rates of pay for employees in accordance with the personnel action taken. The selecting official does not have the authority to promise an employee any specific pay rate.

1.2.2. Exceptions. The pay setting policies in [1.2](#) should be sufficient to cover most situations. Exceptions may be approved by the appointing authority or designee. Exceptions must be in writing and approved prior to the effective date of the personnel action which establishes the rate of pay. (*NOTE:* Exceptions include issues such as the use of highest previous rate (HPR) or GS maximum payable rate. MAJCOMs are authorized to approve command-wide exceptions to the pay setting policy for conversion or transfer to lower grade in [1.2.5.3](#) and voluntary changes to lower grade in 1.2.8.1.)

1.2.2.1. (Added-USAFE) USAFE directs expanded pay setting options for all US Appropriated Fund employees who accept and are being placed in USAFE-owned positions to include family members of military/civilian sponsors. For Non-USAFE/Non-AF US employees, pay should be set IAW owning agency/command guidance. Employees on centrally managed positions will have their pay set IAW Career Field guidance. If no applicable Non-USAFE/Non-AF/centrally managed guidance exists, USAFE pay setting guidance applies.

1.2.2.2. (Added-USAFE) Effective immediately, Highest Previous Rate (HPR)/Maximum Payable Rate (MPR) will be used to set pay for conversions, transfer to lower grade, and voluntary changes to lower grade.

1.2.2.3. **(Added-USAFE)** HPR/MPR cannot be implemented if an employee is otherwise deemed ineligible under regulatory guidelines 5 CFR 531.221; 5 CFR 531.222; and/or AFI 36-802, Pay Setting.

1.2.2.4. **(Added-USAFE)** HPR/MPR rates of pay may not be calculated using pay when the employee's performance was below "Acceptable" (or equivalent).

1.2.2.5. **(Added-USAFE)** HPR/MPR will be used regardless of the length of any voluntary breaks in service if the situation otherwise meets eligibility for use of HPR/MPR.

1.2.2.6. **(Added-USAFE)** HPR/MPR applies after completing a temporary reassignment/promotion lasting more than one year whether to a GS or alternate pay system, even if the terms of the original action specified different pay setting.

1.2.2.7. **(Added-USAFE)** This authority cannot be applied to set an employees' salary retroactively.

1.2.3. **New Appointments.** Pay for a new appointment may be set in one of the following ways:

1.2.3.1. **Minimum Step (Step 1).** Pay is usually set at step 1 for a new appointment. Step 1 is the minimum rate for General Schedule (GS), Federal Wage System (FWS), special rate, or other types of pay systems (e.g., AFI 36-1101).

1.2.3.2. **Higher than Step 1.** In rare cases, an employee's pay may be set beyond step 1 for a new appointment. The approval must be documented on the SF-50, **Notification of Personnel Action**.

- **Chapter 5** authorizes the setting of pay beyond step 1 for a GS position based on superior qualifications.
- Pay may be set beyond step 1 for FWS positions based on special qualifications (5 CFR 532.403(b)).
- Pay is set beyond step 1 for FWS positions when the lead agency for a wage area has designated a step above step 1 as the minimum step-rate for hard-to-fill positions.

1.2.3.3. **Other Options.** **Chapter 4** provides information on recruitment bonuses which must be considered before setting pay beyond step 1 for non-FWS candidates (5 CFR 531.203(b)(3)).

1.2.4. **Reemployment.** Employees are reemployed after one of two types of separation, voluntary or involuntary. The type of separation impacts pay setting. The following pay setting provisions apply to reemployment following a break in service.

1.2.4.1. **Voluntary Separations.** A voluntary separation occurs when an employee chooses to leave federal civilian service on his or her own, and not at the initiation of the agency. Typical voluntary separations include resignation and retirement (includes DoD family members who resign after expiration of leave without pay). Unless applying superior qualification provisions, the following pay setting rules apply to reemployment following voluntary separations:

- Permanent appointments. Pay for former federal civilian employees reemployed on a

continuing appointment after a voluntary separation will be set at step 1 when the break in service is more than two years. If two years or less, GS maximum payable rate or highest previous rate (HPR) will be used to set pay, whichever is the most beneficial to the employee, provided that the GS maximum payable rate or HPR was earned in the last two years.

- **Term appointments.** Pay upon reemployment to a term appointment will be set at step 1 if there was a break in service of more than two years. If the break is two years or less, GS maximum payable rate or highest previous rate (HPR) will be used to set pay, whichever is the most beneficial to the employee, provided that the GS maximum payable rate or HPR was earned in the last two years.
- **Temporary appointments.** Pay upon reemployment to a temporary appointment will be set at step 1 if there was a break in service of more than two years. If the break is two years or less, GS maximum payable rate or highest previous rate (HPR) will be used to set pay, whichever is the most beneficial to the employee, provided that the GS maximum payable rate or HPR was earned in the last two years.

1.2.4.2. **Involuntary Separations.** An involuntary separation is one that occurred through no fault of the employee and not at the employee's request.

- **Priority Placement Program (PPP), except for Program S (military spouse), and Interagency Career Transition Program (ICTAP):**
- **Air Force minimum requirement for placement through the PPP and ICTAP.** Pay for an employee who, after a break in service of more than three calendar days, is reemployed through the PPP is set at a step rate at least equal to the current rate for the grade and step the employee held at the time of separation, unless the rate is greater than the maximum rate of the grade. If the pay is greater than the top step, pay is set at the top step of the grade. Compare this rate to that earned by applying the GS maximum payable rate or HPR rules, setting the employee's pay at the rate providing the greatest benefit. (**NOTE:** In the same manner, the current rate is preserved for FWS employees appointed to lower or higher paying wage areas under the PPP.)
- **Reemployment Priority List (RPL):**
- **Air Force minimum requirement for placement from the RPL.** Pay for an employee who, after a break in service of more than three calendar days, is reemployed from the RPL is set at a step rate at least equal to the current rate for the grade and step the employee held at the time of separation, unless the rate is greater than the maximum rate of the grade. If the pay is greater than the top step, pay is set at the top step of the grade. Compare this rate to that earned by applying the GS maximum payable rate or HPR rules, setting the employee's pay at the rate providing the greatest benefit. Grade and pay retention are not authorized upon reemployment from the RPL.
- **Mandatory Restoration.** The pay of an employee who is reemployed as a result of mandatory restoration rights is set at a rate at least equal to the rate the employee would be receiving if he or she never left federal civil service.
- **Workers Compensation.** Every effort should be made to restore an employee, or former employee, who has partially recovered from a compensable injury and can return to limited duty. When possible, the employee should be offered a position at the current or last

grade held before separated from the agency rolls. If this is not possible, following Office of Workers Compensation Program (OWCP) procedures, the employee is reemployed at the last grade held and immediately changed to lower grade for the position identified to return him or her to the workforce. On the lower grade offer, the employee is given pay retention. Set the pay at the rate the employee would have received had they been continuously employed, including any within-grade increases (WGIs).

- Upon reemployment of a prior Schedule C employee whose appointment was terminated or who voluntarily resigned in anticipation of termination because of a change in agency leadership, pay is set so it does not exceed the employee's highest previous rate or the top step of the grade, whichever is lower.

1.2.5. Conversions or Transfers:

1.2.5.1. Conversion or Transfer at the Same Grade.

- Air Force minimum requirement for continuous service.
- The pay of an employee who is converted or transferred at the same grade during continuous employment is set at the step which is at least equal to the current step. This applies to conversions to both permanent and temporary appointments and transfers.
- In a conversion or transfer action of a FWS employee, pay will be set based on the wage rate of the gaining installation.
- In a conversion or transfer of a GS employee, unless entitled to a special salary rate, total compensation includes base pay plus applicable locality pay of the gaining installation.
- The pay of a GM employee moved to a GS position will be set on the pay scale at a rate at least equal to the existing rate of pay. If the existing rate of pay falls between two steps, pay is set at the higher step.
- In conversion or transfer of a GS or FWS employee, if the employee meets the eligibility requirements for a WGI, set pay to include a WGI if the waiting period was met.

1.2.5.2. Conversion or Transfer to a Higher Grade. Pay for conversions or transfers to positions at a higher grade is set by one of the following, whichever is the most beneficial to the employee: Governmentwide GS mandatory promotion rule, FWS promotion rule, Air Force repromotion requirement, HPR rule, or GS maximum payable rate rule. Pay is set at the step at least equal to the current grade and step.

1.2.5.3. Conversion or Transfer to a Lower Grade. Unless entitled to grade or pay retention, pay for conversions or transfers to positions at a lower grade will be set at a step of the lower grade which upon repromotion will not place the employee in a rate exceeding that previously held in the higher grade.

1.2.5.3.1. (Added-USAFE) USAFE directs the use of HPR/MPR for conversions and transfers to lower grades if it meets the requirements of 1.2.2. and all applicable USAFE-added subsections of 1.2.2.

1.2.6. Reassignments:

1.2.6.1. No Change in Pay. Under normal circumstances, pay setting for a reassignment action results in no change in pay. Exceptions to the normal circumstance follow.

- Changes between regular and special pay schedules.
- Pay will increase when an employee is reassigned from a regular to a special pay schedule. An employee's pay is set at the same step in the special pay schedule as received in the regular pay schedule.
- Pay is usually decreased when an employee is reassigned from a special to a regular pay schedule. This occurs because the employee's pay is normally set at the same step in the regular pay schedule as received in the special pay schedule. There are some rare cases of exception. The most common is the case of an employee who is involuntarily reassigned (i.e., reduction-in-force (RIF), transfer of function, etc.) from a special pay schedule to a regular pay schedule and is therefore entitled to pay retention providing the employee's existing rate of pay cannot be accommodated within the rate range. When the existing rate of pay falls between two steps, the employee is given the higher step.
- Changes between wage areas. When a FWS employee is voluntarily reassigned between wage areas, pay is set using the wage schedule for the area where the employee is moving. When the reassignment is to a position in a lower wage area, the employee is entitled to a rate at least equal to his or her existing rate wherever possible. If that rate falls in between two steps in the new wage schedule, the employee is given the higher step. If his or her existing rate exceeds the top step, the employee is given the top step of the grade to which assigned. Pay retention will not be given to a FWS employee who voluntarily requests and accepts a position in a lower wage schedule area.
- Changes between locality areas. When a GS employee is reassigned (voluntarily or involuntarily) between locality areas, pay is set on the appropriate rate from the basic GS pay schedule. Total compensation includes base pay plus the locality pay for the new duty location, unless the individual is entitled to a special salary rate that is more beneficial.

1.2.6.2. **Change in Pay.** When an employee moves from GM to GS, pay is set at the rate for the same grade on the GS pay schedule that is equal to or exceeds the employee's current rate of pay; i.e., if the rate falls between two steps, pay is set at the higher step.

1.2.7. **Promotions.** Pay for promotions is set by one of the following, whichever is the most beneficial to the employee: Governmentwide GS mandatory promotion rule, FWS promotion rule, Air Force repromotion requirement, HPR rule, or GS maximum payable rate rule. If pay falls between two steps, the higher step will be used.

1.2.7.1. **Governmentwide Mandatory Promotion Rule.**

- GS. Generally, the pay of a GS employee promoted to a GS position is set in the step that exceeds the existing rate of pay by at least two step increases unless that rate exceeds the top step of the grade. If the rate exceeds the top step of the new grade, pay is set at the top step.
- FWS. The pay of a FWS employee promoted to a FWS position is set in the step that exceeds the existing pay by four percent of the representative rate of the grade from which the employee is promoted. If the rate exceeds the top step, pay is set at the top step.

1.2.7.2. **FWS Promotions.** For FWS employees who receive a promotion and move to a different wage area, compute the employee's pay as if there were two pay actions, a

promotion and a reassignment, processing them in the order which gives the employee the maximum benefit (5 CFR 532.407(c)).

1.2.7.3. Promotions Between Pay Systems: When an employee moves from the FWS pay system to the GS pay system or vice versa, pay is set using the appropriate pay setting directives for the pay system the employee is moving to. Determine current annual salary of a FWS employee by multiplying the hourly rate by 2087 (work hours in a year).

- **FWS to GS: “One Cent Rule”.** The GS mandatory promotion rule (“two steps”) does not apply to FWS employees promoted to GS positions. To constitute a promotion, the FWS employee’s existing rate of pay must have increased by at least one cent upon being placed in a GS position. To set pay, accomplish the following: Compare the FWS annual rate of pay with the rate range for the GS position the employee is being placed in; the GS step that exceeds the FWS rate by at least one cent is the rate at which pay is set.
- **GS/GM to FWS.** Identify the action by using representative rates. Pay is set in the lowest FWS step that exceeds the employee’s existing rate of pay by four percent of the GS representative rate of the grade from which promoted.
- **GM to GS.** Pay is set using the GS mandatory promotion rule IAW 5 U.S.C. 5334(b).

1.2.7.4. Regular and Special Pay Schedules:

- **From regular to special pay schedule.** On the regular pay schedule, determine the step of the new grade using the GS two-step rule. The employee’s pay is set at that step on the special pay schedule.
- **From special to regular pay schedule.** On the special pay schedule, determine the step of the new grade using the GS two-step rule. On the regular pay schedule find that rate for the grade the employee is being promoted to. If the rate falls between two steps, pay is set at the higher step. This rate on the regular pay schedule becomes the employee’s pay. If the rate is less than step 1 of the new grade, pay is set at step 1. If the top step of the grade is exceeded, pay is then set at the top step.

1.2.7.5. Air Force Repromotion Requirement:

- **Following involuntary change to lower grade (CLG) (employee not at fault).** The pay of an employee promoted from a grade to which they were changed involuntarily through no fault of their own must be set at a rate at least equal to the current rate of the grade and step from which demoted. If the employee is on retained pay and that rate is higher than the maximum step of the new grade, the employee is kept on pay retention.
- **Following voluntary CLG and involuntary CLG (employee at fault).** The GS two-step rule, or FWS four percent rule, will be used to set the pay of employees who were voluntarily changed to lower grade or involuntarily changed to lower grade when the employee was at fault.

1.2.8. Change to Lower Grade:

1.2.8.1. Voluntary Changes to Lower Grade (CLG). A voluntary CLG is usually requested by the employee for his or her convenience or benefit. Pay will be set in the following ways:

- **Policy for voluntary CLGs.** Unless entitled to grade or pay retention, pay will be set at the

step of the lower grade which, upon repromotion, will not place the employee in a rate exceeding that previously held in the higher grade.

- Pay retention. In the following situations, pay retention will be granted if the employee's existing rate of pay cannot be accommodated within the rate range of the lower grade. When the existing rate of pay falls between two steps of the lower grade, the employee is given the higher step. If the selected employee is otherwise eligible and the salary cannot be accommodated within the range, pay retention is authorized.
- Formal training program. Employees who accept lower grades to enter a formal training program or Developmental Opportunity Program (DOP). The position must have an approved training plan and must be advertised as a training or DOP position.
- Health issues. Employees who accept a lower-grade position for nondisciplinary reasons related to ill health or physical/mental inability to perform the duties of his or her current position (under criteria similar to those used in meeting the responsibilities for selective placement instead of disability retirement).
- "Hard-to-fill" positions. Employees who accept lower-grade positions designated as "hard-to-fill" under criteria similar to those used for extending special rates under 5 CFR 530.303(a) and (b).
- RIF actions. Employees who voluntarily accept lower-grade positions to lessen the impact of RIF action will be given grade and pay retention (see paragraph 1.3.1.2).
- After temporary promotion. When an employee is returned to his or her permanent grade after a temporary promotion, pay is set as if the temporary promotion had not occurred. If the employee became eligible for a WGI or comparability increase during the temporary promotion, pay is set to include that increase.

1.2.8.1.1. **(Added-USAFE)** USAFE directs the use of HPR/MPR for voluntary changes to lower grades if it meets the requirements of 1.2.2. and all applicable USAFE-added subsections of 1.2.2.

1.2.8.2. **Involuntary CLGs:**

- Employee at fault. If the CLG is caused by the employee's failure to perform acceptably or for disciplinary reasons, pay is set at a rate from step 1 up to the step of the lower grade which, if repromoted, will not place the employee in a rate exceeding that previously held in the higher grade.
- Employee not at fault:
- Employees are usually not at fault in most involuntary CLGs. They are typically caused by RIF and reclassification. Pay for these employees is set using grade and pay retention regulations.
- Pay for employees who are changed to lower grade because of failure to successfully complete a supervisory or managerial probationary period is set under the governmentwide minimum requirement. Under this requirement, the employee is entitled to be placed in a job with no lower grade and pay than the job left to accept the supervisory or managerial position. The employee is also entitled to any WGIs he or she would have received at that grade if the assignment to the supervisory or managerial job never occurred.
- Acceptance of a lower grade by a federal employee in order to accompany a military

member or DoD federal civilian employee sponsor on a permanent change of station (PCS) is not considered to be a change to lower grade at the employee's request. If the existing rate of pay for such federal employee falls between two steps of the lower grade, pay will be set at the higher step. Pay will be set at an even higher step in the lower grade, in accordance with the highest previous rate rule, if the employee has earned entitlement to a higher rate by service in another position.

1.2.9. Dual Appointments for FWS Employees. When an FWS employee serves under a dual appointment (which includes either a temporary and a permanent appointment or two permanent seasonal appointments), set pay as follows.

- When the temporary appointment is at a lower grade, set the waiting period for a WGI from the date of the last equivalent increase in the regular permanent position. Set the waiting period for the temporary position from the date of the temporary CLG.
- When the temporary appointment is at a higher grade, credit the time the employee spends in the temporary appointment toward the waiting period for a WGI in the permanent position.
- When an employee serves under two permanent appointments, credit the time the employee spends in the lower graded position toward the waiting period for a WGI in the higher graded position.

1.2.10. Career Program Positions. Personnel actions taken within the career programs are considered "management initiated" rather than "at the employee's request." Employees selected from career program certificates or assigned as a result of a policy council chair approval of a noncompetitive placement at a lower grade will continue to be paid at their existing rate of pay, if it can be accommodated within the rate range of the lower grade. When the existing rate of pay falls between two steps of the lower grade, the employee is given the higher step. If the selected employee is otherwise eligible and the salary cannot be accommodated within the range, then he or she is entitled to pay retention.

1.2.10.1. Career Program External Applicant System (CPEAS). Employees selected from a CPEAS certificate will be granted pay retention if the position meets the hard-to-fill criteria. Hard-to-fill positions are experienced when application of a career program promotion evaluation pattern (PEP) generates five or fewer highly qualified candidates for promotion.

1.2.11. Overseas Return Rights. When an employee exercises overseas return rights, pay is set upon return to the former grade in the United States at a rate at least equal to the step rate to which the employee would have progressed had the employee not gone overseas. Employees who exercise return rights to a lower grade are authorized pay retention. However, if the salary may be set at the lower grade without the need for pay retention, the higher step rate will be used when the salary falls between two steps.

1.2.12. Nonforeign Cost-of-Living Allowance (COLA). When nonforeign COLA is involved, determine the nature of action (NOA) and set pay as follows.

1.2.12.1. NOA Determination:

- **GS to FWS.** Do not add nonforeign COLA to GS pay for determination of the representative rate. Identify the action by using representative rates.

- FWS to GS. Do not add nonforeign COLA to GS pay. Identify the type of action after pay is set using GS pay rules.

1.2.12.2. Set pay:

- GS to FWS. Add nonforeign COLA to GS pay to establish rate of basic pay in FWS position.
- FWS to GS. Do not add nonforeign COLA to establish rate of basic pay in GS position.

1.2.13. Appointments Between Nonappropriated Fund (NAF) and Appropriated Fund (APF) Employment Systems. The DoD Employee Benefit Portability Program applies to DoD permanent civilian employees who move between Air Force and civil service employment systems within DoD without a break in service of more than three calendar days. This program applies regardless of whether the move is involuntary or voluntary. However, many provisions are applied differently depending on whether the move is involuntary or voluntary.

1.2.13.1. Movement From a NAF Position to a GS Position:

1.2.13.1.1. Involuntary Movement. Pay will be set at a rate within the grade to which moved that is not less than the employee's rate of basic pay under the NAF system immediately prior to the move. In determining the last rate of basic pay, a saved pay rate to which the employee was entitled under the NAF system will apply, as well as pay received in a NAF special rate position. Additions to pay such as night shift, environmental differential, and other premium payments are excluded from consideration as basic pay. Basic pay may not be set above the maximum of the grade to which moved, except as provided by grade and pay retention provisions.

- Grade and pay retention benefits apply where the involuntary move results in a reduction in grade or pay.
- A reduction in grade occurs when the representative rate of the position to which the employee is converted is lower than the representative rate of the position from which the employee moved. For pay banded employees, the employee's current existing rate of basic pay is the representative rate.
- Prior to moving an employee from NAF Pay Band V to a GS position, the NAF activity determines if an adjustment in NAF pay is necessary. Adjustments in NAF pay are effected, where necessary, to ensure that the maximum rate of pay retained in the move will not exceed the rate of pay for a GS-15, Step 10 for the position and geographical area to which moved.

1.2.13.1.2. Voluntary Movement. Pay will be set at the rate of the new grade which does not exceed the employee's highest previous rate of NAF basic pay. The highest previous rate of pay is computed according to 5 CFR 531.206. The employee's pay cannot be less than the minimum rate of the grade of the position.

1.2.13.2. Movement From NAF Crafts and Trades Position to an APF Wage Schedule Position.

1.2.13.2.1. Involuntary Movement. Pay will be set at the employee's existing scheduled rate of pay; or, a rate which does not exceed his or her highest previous

rate of NAF basic pay, whichever is the most beneficial to the employee. However, if the highest previous rate falls between two rates of the new grade, the higher rate will be paid. The highest previous rate is computed according to OPM Operating Manual Federal Wage System NAF, S8-3e. The employee's pay cannot be less than the minimum rate of the grade of the position.

- Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits will be administered according to OPM Operating Manual - Federal Wage System NAF, Subchapter S9.
- A reduction in grade occurs when the representative rate of the position to which the employee is converted is lower than the representative rate of the position from which the employee moved.

1.2.13.2.2. **Voluntary Movement.** Pay will be set at the rate of the new grade which does not exceed the employee's highest previous rate of NAF basic pay. The highest previous rate of pay is computed according to OPM Operating Manual - Federal Wage System NAF, S8-3e. The employee's pay cannot be less than the minimum rate of the grade of the position.

1.2.13.3. **Movement From a UA, AS, PS, or Pay Band NAF Position to an APF Wage Schedule Position.**

1.2.13.3.1. **Involuntary Movement.** Pay is set according to [paragraph 1.2.3](#).

- Grade and pay retention benefits apply where the involuntary move resulted in a reduction in grade or pay. Grade and pay retention benefits are administered according to OPM Operating Manual - Federal Wage System NAF, Subchapter S9.
- A reduction in grade occurs when the representative rate of the position to which the employee is converted is lower than the representative rate of the position from which the employee moved. For pay banded employees, the employee's current existing rate of basic pay is the representative rate.

1.2.13.3.2. **Voluntary Movement.** Pay is set according to [paragraph 1.2.3](#).

1.3. **Grade and Pay Retention:**

1.3.1. **Grade Retention.** Grade retention applies when:

- An eligible employee moves to a lower-grade position through RIF or a situation that the Deputy Assistant Secretary of Defense (Civilian Personnel Policy) (DASD(CPP)) decides is comparable to a RIF. Grade retention is applicable if the employee has served for 52 consecutive weeks or more in a position or positions under a covered pay schedule at a grade or grades higher than the position in which the employee is being placed (see 5 CFR 536.103(c)(1) and (3) for additional guidance).
- An employee's position has been reduced in grade as a result of reclassification. Grade retention is applicable if the employee's current position has been classified for a continuous period of at least one year immediately before the position is classified at a lower grade.
- An eligible employee is placed through the Priority Placement Program, without a break in service of three days or less, including those resulting from early registration, even

though the employee does not have a specific RIF notice.

- DoD authorizes grade retention for other reasons, for example, drawdown of an installation.

1.3.1.1. Title 5 CFR 536.103(b) allows the head of an agency to offer grade retention under certain circumstances to employees who meet general eligibility requirements but do not have a specific entitlement by law or regulation.

1.3.1.2. Within DoD, grade retention applies when:

- An employee receives a RIF notice proposing a change to lower grade or separation and accepts a lower-grade position at the same or another DoD activity. If the position accepted is not a grade lower than one which has been offered by his or her activity, grade retention will be granted. If the position accepted is at a grade lower than one which has been offered, grade retention may be granted, provided the employee meets all other eligibility requirements and management determines that placement in the position is in the government's interest. (**NOTE:** In the Air Force, if they do not meet the other eligibility requirements for grade retention under this provision, but would otherwise be granted grade retention, pay retention will be authorized providing the employee's existing rate of pay cannot be accommodated within the rate range of the lower grade. When the existing rate of pay falls between two steps of the lower grade, the employee is given the higher rate.)
- An employee in an organization undergoing realignment or reduction, who is not personally impacted by those actions, requests a CLG. He or she may be granted grade retention only if management determines that the employee's CLG will result in placement of the employee in a more suitable position and will lessen or avoid the impact of the RIF on other employees.
- Under other circumstances, for example, restructuring when RIF is not involved, when approved by DoD on an individual case basis. Requests must be fully documented and forwarded through the respective MAJCOM to HQ USAF/DPCE, 1040 Air Force Pentagon, Washington DC 20330-1040 for processing to DoD.

1.3.1.3. Eligible employees are entitled to a 2-year grade retention period unless terminated in accordance with the provisions of 5 CFR 536.208; for example, declining a reasonable offer.

1.3.1.4. In other circumstances not covered by this chapter, as determined by HQ USAF/DPC, resulting from personnel actions initiated by management to further the agency's mission, to the extent that the intent of applicable law and regulation is met. Requests for grade retention must be fully documented and forwarded through the respective MAJCOM to HQ USAF/DPCE, 1040 Air Force Pentagon, Washington DC 20330-1040.

1.3.2. Grade Retention for FWS Employees Who Move From a High to a Low Wage Area. In most cases, FWS employees under grade retention will continue to receive the same rate of basic pay. Under some circumstances, for example, movement from one wage area to another wage area, the employee's rate of pay is determined by the schedule in the new wage area. In determining the employee's pay, the employee is entitled to the greater of:

- The basic pay held before moving;

- Rate from new schedule for same step held before moving; or
- Lowest rate from the new wage schedule which equals or exceeds pay before moving.

1.3.2.1. Frequently the movement of a FWS employee from a high wage area to an area with a lower wage schedule will result in the employee's existing rate of pay exceeding step 5 of his or her retained grade on the new geographic (lower) wage schedule. In such cases, the employee continues to retain his or her basic pay before the movement.

1.3.2.2. FWS Within-Grade Increases Under Grade Retention. During the 2-year grade retention period, a FWS employee is entitled to WGIs in the retained grade unless the rate of basic pay, as determined under grade retention provisions, is above step 5 on the pay schedule in the new wage area. The WGI is based on the pay schedule in the new wage area. For example, if an employee's retained grade and rate of basic pay equals WG-5, step 2, and the employee becomes eligible for step 3, and step 3 is 30 cents more than step 2 on the "new schedule," then this amount would be added to the employee's retained rate of pay.

1.3.2.3. FWS Annual Adjustments Under Grade Retention. Annual adjustments are based on the "new" schedule, that is, the schedule in the different geographic area. If the employee is in any step but step 0, he or she will be paid the rate for his or her step on the new schedule. Employees receive 100 percent of the annual adjustment during the 2-year grade retention period. Employees in step 0 receive the difference between step 5 on the previous schedule and step 5 on the new adjusted schedule. These "adjustments" are added to the employee's existing retained rate of pay.

1.3.2.4. Decrease in Wage Schedule Under Grade Retention. When pay is adjusted up, the employee is entitled to the new rate of pay for the retained grade and step. While 5 CFR does not directly address pay schedule decreases, it does state that the retained grade is to be treated as the grade of the employee's position for most purposes; therefore, the employee should be paid at the new rate, whether it results from an increase or decrease in the pay schedule. Employees on grade retention can waive their grade retention entitlement (5 U.S.C. 5362(d) (4)), however, such waiver does not result in eligibility for pay retention. An employee entitled to grade retention will receive pay retention only as a result of the expiration of the 2-year period of grade retention.

1.3.3. Pay Retention. Pay retention is provided when:

- The grade retention period ends.
- Under other circumstances when an employee's pay would otherwise be reduced.

1.3.3.1. Within DoD, pay retention will be granted when:

- An employee accepts a lower-grade position designated in advance as hard-to-fill under criteria similar to those used for extending special rates under 5 CFR 530.303(a) and (b).
- An employee is reduced in grade upon return from an overseas assignment according to the terms of a preestablished agreement. This includes employees who are released from the period of service specified in their current transportation agreement due to a management initiated action, and employees who have completed more than one year under their current agreement and who are released from the specified period of service because of compelling personal reasons of a humanitarian or compassionate nature, such

as may involve physical or mental health or circumstances over which the employee has no control. Also included are nondisplaced overseas employees with no obligation to return who are covered by DoD 1400.20-1-M, DoD Program for Stability of Civilian Employment, Policies, Procedures, and Programs Manual, September 1990, with Changes 1 through 3 (chapter 6, paragraph C).

- An Army or Air Force reserve technician has or is scheduled to lose eligibility through no fault of his or her own (that is, "status quo" employees), and he or she accepts placement in a lower grade non- reserve position. (NOTE: In the Air Force, pay retention is not authorized when an air reserve technician (ART) accepts a voluntary CLG in lieu of separation under the high year of tenure (HYT) program.)
- Former employees, who have been receiving injury compensation, accept a job offer to a position with a lower grade than the last position held in order to return to active employment.
- An employee accepts a lower-grade position for nondisciplinary reasons of ill health under criteria similar to those used in meeting the responsibilities for selective placement instead of disability retirement.

1.3.3.2. Pay retention may be extended to employees when:

- Authorized by HQ USAF/DPC, as a result of personnel actions initiated by management to further the Air Force's mission, to the extent that the general intent of grade and pay retention are met.

1.3.3.3. Pay retention will not be extended when an employee is returning from an overseas assignment because of unacceptable performance (as defined in 5 CFR, Part 432) or personal cause (as defined in 5 CFR, Part 752).

1.3.3.4. Unless otherwise entitled to pay retention, employees selected for overseas positions are not authorized pay retention, except as provided in [paragraphs 1.2.10 and 1.3.3.2](#).

1.3.4. Pay Retention for FWS Employees. Pay retention will not be given to a FWS employee who voluntarily requests and accepts a position in a lower wage schedule area.

1.3.4.1. When there is entitlement to pay retention, that is, at the end of the 2-year grade retention period, a FWS employee is entitled to:

- Lowest scheduled rate of basic pay in the employee's grade after the action is taken which equals or exceeds his or her current rate of basic pay (**NOTE:** When the rate of pay falls between two scheduled rates, the employee will be placed in the higher of the two rates).
- When there is no rate that equals or exceeds the employee's current rate of pay, the employee will retain either his or her current rate of basic pay or 150 percent of the maximum rate of basic pay for the employee's grade after the action is taken, whichever is less.

1.3.4.2. **FWS Annual Adjustments Under Pay Retention.** A FWS employee is entitled to 50 percent of the amount of each annual adjustment in the maximum rate of basic pay payable to his or her grade. Adjustment will be made prior to a comparison

with the maximum step of the grade to decide whether the employee stops receiving a retained rate.

1.3.4.3. Decrease in Wage Schedule. When there is a decrease in the wage schedule, an employee entitled to retained pay will continue to receive the rate that was in effect prior to the decrease. There is no legal authority for a reduction in pay under these circumstances.

1.4. Apprentice and Shop Trainee. When employees are receiving training and instruction designed to qualify them to perform all required duties in trade and craft occupations specified in Air Force approved training programs, they are paid under a special pay plan for such programs. The special pay plan can be used only for apprentices or shop trainees. To establish a special pay plan for apprentice and shop trainees and to set pay rates see OPM Operating Manual - Federal Wage System, Subchapter 11.

1.5. Changing Pay Rates. Change pay rates only when you take a personnel action which changes an employee's:

- Position.
- Grade.
- Type of appointment.

Chapter 2

DUAL PAY AND DUAL EMPLOYMENT

2.1. Dual Pay and Dual Employment Responsibilities. Applicants and employees who receive a federal annuity or compensation from any other federal source than their Air Force civilian employment must inform their servicing personnel office.

2.1.1. The servicing personnel office:

- Explains to employees how dual pay and dual employment restrictions affect them.
- Notifies OPM, for civilian annuitants, and the appropriate uniformed service finance center, for military annuitants, concerning the federal civilian pay.
- Notifies the appropriate uniformed service finance center of approved and terminated dual compensation waivers and ensures that employees are fully informed of the current status of such waivers.
- Provides a copy of each SF 50, Notification of Personnel Action, to other federal agencies when employees work simultaneously for two or more agencies.

2.1.2. OPM or the finance center determines the reduction in pay for civilian annuitants or the amount of military retired or retainer pay to be withheld.

2.1.3. Employees remain financially liable even if the uniformed service finance center or the servicing personnel office fail to terminate waivers on a timely basis.

2.2. Dual Compensation Restriction Waivers. The following are conditions under which waivers of compensation restrictions for retired military and federal civilian personnel may be made:

- OPM may authorize such waivers under the Federal Employees Pay Comparability Act of 1990 (FEPCA) when there are:
- Exceptional difficulties in recruiting or retaining qualified candidates for particular positions.
- Emergency conditions involving an immediate and direct threat to life or property.
- OPM has delegated the authority to DoD for employees who accept placement in positions at an installation that is within two years of its selected closure date and for temporary positions.

NOTE:

See table **Table A3.1** for a quick reference on waiver authority.

2.2.1. The OPM and DoD must approve these waivers:

- Individually.
- Only after deciding that a position is critical to an installation's mission.

2.2.2. Base closure waivers may not be approved under this authority for:

- Current DoD employees serving with reduced salary or retirement pay under the

provisions of 5 U.S.C. 5532, 8344, or 8468.

- Current DoD employees who become eligible to retire during the year before a base closes.
- Former military or civilian personnel of installations in the same commuting area who retired under an early optional retirement or discontinued service provisions or who received any special bonus or incentive for separation.

2.2.3. Requests for waivers must contain:

- Identification of the individual requiring the waiver.
- Appointing authority to be used.
- Position to which employee will be appointed.
- A properly classified position description or core personnel document for the current position.
- A fully completed application for federal employment for the position, signed by the individual under consideration.
- A Civil Service Retirement System or Federal Employee Retirement System claim number, if any.
- The date of retirement, the type of retirement (voluntary, discontinued service, disability, and so forth), and the amount of current annuity, retired, or retainer pay.
- An in-depth analysis of the individual's qualifications that meet the emergency need or critical skills shortage.
- Certification by the individual that he or she will not accept the position if pay or retirement is reduced.
- Documentation of bona fide offers of non-federal employment, if any.
- Qualification requirements, including any selective factors or other specific requirements, that would justify the submission. If the installation uses a vacancy announcement it should be included.

2.2.4. Processing Waiver Requests. Requests for nontemporary positions may be based on an emergency hiring need, severe difficulty in recruitment, or the need to retain a particular individual. Requests must be fully documented in accordance with the requirements of 5 CFR 553.

2.2.4.1. Send requests through the servicing MAJCOM to HQ USAF/DPCC, 1040 Air Force Pentagon, Washington DC 20330-1040, for review and forwarding to DoD and OPM.

2.2.4.2. Send requests for Senior Executive Service (SES) and Senior Level (SL and ST) through the servicing MAJCOM to AFDPS, 1040 Air Force Pentagon, Washington DC 20330-1040.

2.2.5. The DoD rarely approves waivers for individuals who have taken advantage of early retirement or separation bonus options at locations outside the commuting area.

Chapter 3

OVERTIME WORK

3.1. Responsibilities:

3.1.1. **Commanders.** Commanders must continually ensure that overtime work occurs only pursuant to mission needs.

3.1.1.1. Review Defense Civilian Pay System (DCPS) reports: P6602R04, Overtime/Compensatory Time Review; P6602R05, Overtime/Compensatory Time Usage Report; and P6605R01, Control of Hours Report, to identify trends in excessive overtime usage.

3.1.1.2. Perform self-inspection of overtime and compensatory time usage and documentation.

3.1.2. Supervisors:

- Establish tours of duty which require the payment of premium pay rates (for example, night work, Sunday work, overtime, holiday and so forth) only when the mission requires this work for efficient operations.
- Obtain approval from their overtime authorizing official before ordering overtime (AF Form 428, Request for Overtime, Holiday Premium Pay, and Compensatory Time). EXCEPTION: In an emergency, the supervisor may order overtime without authorization but must document the overtime no later than the following workday.
- Consider changing tours of duty involving the assignment of overtime when the requirement conflicts with an employee's religious obligations or practices by permitting the employee to perform the overtime on another day or to excuse him or her from the assignment. EXCEPTION: If failure to perform the overtime will prevent accomplishment of the mission, the employee is expected to perform the overtime.
- Release employees from overtime if the additional work would impair health or efficiency or cause extreme hardship.
- Schedule temporary duty (TDY) travel within an employee's regularly scheduled tour of duty to the maximum extent possible to avoid paying overtime.
- Compare employee travel vouchers with time and attendance reports to determine if there is an entitlement to overtime.
- Record approved travel-related overtime on the attendance records.
- Prepare and process corrected time and attendance records when required.

3.1.3. Employees:

- May not receive overtime pay for work which a supervisor did not properly authorize and approve (except employees under the Fair Labor Standards Act (FLSA) who are suffered and permitted to work overtime (5 CFR 551.401)).
- Provide a copy of their travel settlement voucher on which overtime is based to their supervisor.

3.2. Recording TDY Travel Requirement. When TDY outside regularly-scheduled duty hours is essential and the employee is not entitled to overtime pay, the official ordering the travel:

- Records the reasons for ordering travel at that time.
- Gives a copy of the record to the employee when requested.

3.2.1. Installations using automated time-and-attendance systems (like the Defense Civilian Payroll System [DCPS]) are not required to send additional documentation for overtime to the civilian payroll office unless local procedures require it.

3.2.2. Officials certifying time and attendance, or their designees, must maintain required documentation to support the automated time and attendance record.

3.3. Administratively Uncontrollable Overtime. Employees may receive pay for administratively uncontrollable overtime (AUO) on an annual basis if the MAJCOM and HQ USAF/DPCE approve the arrangement. The request for AUO must be submitted in writing and forwarded through the MAJCOM to HQ USAF/DPCE.

3.3.1. The written request must contain:

- Title, series, and grade of position.
- Brief description of the duties and responsibilities of the position.
- Justification for payment of AUO.
- Copy of the position description.

3.3.2. Requests for AUO for positions in Services must contain a brief explanation why effective scheduling of the employee under the organizational flight structure cannot eliminate the need for AUO. Requests must be coordinated through the installation's respective MAJCOM/DPC and Services Director prior to submission to HQ USAF/DPCE.

Chapter 4

RECRUITMENT AND RELOCATION BONUSES; RETENTION ALLOWANCES; SUPERVISORY DIFFERENTIALS

4.1. Introduction. In accordance with 5 U.S.C. 5753-5755 and 5 CFR 575 the Air Force may authorize special bonuses, allowances, and differentials to alleviate recruiting and retention problems because of differences in federal and non-federal pay for comparable positions or to correct pay inequities between a supervisor and subordinate.

4.1.1. The Air Force may not:

- Use these special payments as a substitute for the classification process.
- Grant special payments automatically to all new hires or transferees.

4.1.2. The bonus, allowance, or differential will be based on the employee's retained rate when the employee is entitled to grade or pay retention.

4.1.3. Except as provided in this chapter, the approving official is the individual with personnel appointing authority. In the Air Force, the official normally vested with such authority is the installation commander. The authority may be further delegated.

4.1.4. **(Added-USAFE)** Each Directorate/NAF/Wing is required to submit their anticipated use of incentives/PCSs for each FY and to document how many incentives/PCSs they will budget for each FY to HQ USAFE/A1K by the deadline outlined by HQ USAFE/A1KC. Year-out/recurring succession planning and recruitment analysis will be a critical decision making tool for approval/disapproval of the incentive and PCS allocation. It is a core requirement of an organization's Civilian Employment Plan (CEP) that Civilian Personnel Sections (CPSs) provide full/complete documentation succession planning to meet their US Incentives.

4.1.5. **(Added-USAFE)** At the start of the fiscal year, the CPS is responsible for including a slide in the civilian resources corporate board (CRCB) showing the local Recruitment/Retention/Relocation Incentives that are likely to be needed/anticipated for the duration of the FY.

4.1.6. **(Added-USAFE)** For US Civilians, this will require detailed succession planning based on DEROS management, retirement information, organizational Commander decision to support, historical/forecasted recruitment issues, etc.

4.1.7. **(Added-USAFE)** Every attempt should be made to work these in through the CRCB in order to ensure highest, and continued, visibility. Only in rare instances when the incentive cannot be planned for in advance should requests be worked out-of-cycle. Examples of these instances may include an unexpected vacancy due to early Date Eligible for Return From Overseas (DEROS), or when a position is new and so unusual recruitment needs cannot be forecasted.

4.1.8. **(Added-USAFE)** Approvals and disapprovals must be documented and recorded in CRCB minutes or out-of-cycle documentation.

4.1.9. **(Added-USAFE)** The status of incentives (i.e. those forecasted, those previously forecasted vs. actual needed and/or those requested out of cycle) will either be a primary or a back-up slide at every CRCB to ensure continued cognizance of incentives.

4.1.10. **(Added-USAFE)** Incentives will be paid from an employee's normal civilian pay appropriation.

4.2. Recruitment, Relocation, and Retention Payment Offer and Approval. The following officials may recommend, coordinate, and approve payments under this paragraph. See tables **Table A3.1** and **Table A4.1** for a quick reference on Air Force pay flexibilities and approval authority.

4.2.1. Category I Employees (Centrally Funded/Managed Positions, such as PALACE Acquire, COPPER Cap, and Career Development/Broadeners):

4.2.1.1. Recommend: Career Program PALACE Team Chief.

4.2.1.2. Coordinate: Career Program Policy Chair (after review by HQ USAF/DPC).
Approve: Installation Commander (appointing official) or designee.

4.2.2. Category IIa Employees (Employees In Centrally-Managed Career Program Positions):

4.2.2.1. Recommend: Gaining Supervisor.

4.2.2.2. Coordinate: Career Program Policy Chair (after review by the PALACE Team Chief and HQ USAF/DPC).

4.2.2.3. Approve: Installation Commander (appointing official) or designee.

4.2.3. Category IIb Employees (Career SES, Senior Level (SL), and Scientific and Professional (ST)):

4.2.3.1. Recommend: MAJCOM Commander.

4.2.3.2. Coordinate: HQ USAF/DP.

4.2.3.3. Approve: Executive Resources Board (**NOTE:** Limited term and emergency SES appointments are approved by SAF/OS).

4.2.4. Category IIc Employees (Noncareer SES):

4.2.4.1. Recommend: SAF/AA.

4.2.4.2. Coordinate: Executive Resources Board.

4.2.4.3. Approve: Secretary or Deputy Secretary of Defense.

4.2.5. Category IIc Employees (Schedule C Employees):

4.2.5.1. Recommend: SAF/AA.

4.2.5.2. Coordinate: 11 MSS/CC.

4.2.5.3. Approve: Secretary or Deputy Secretary of Defense.

4.2.6. Category III Employees (Employees not Covered by Categories I and II Including Civilian Faculty Members at Air University and the Air Force Academy):

4.2.6.1. Recommend: Gaining Supervisor.

4.2.6.2. Coordinate: Second-Level Supervisor.

4.2.6.2.1. **(Added-USAFE)** Coordinate: The CPSs must review and provide recommendation to the Approving Authority.

4.2.6.3. Approve: Installation Commander (appointing official) or designee.

4.2.7. **(Added-USAFE)** Incentive Requirements.

4.2.7.1. **(Added-USAFE)** Recruitment Incentives may be paid (up to 25% of the annual rate of pay) to a newly appointed/re-appointed employee to fill a position that would otherwise be “hard to fill”. In return the employee must sign a Service Agreement.

4.2.7.1.1. **(Added-USAFE)** . Recruitment Incentives may be paid to employees newly appointed to Federal Government, or former employees with a break in government service of at least 90 days.

4.2.7.1.2. **(Added-USAFE)** The manager, with CPS assistance, must document (in writing) the basis for determining the position is “hard to fill” in absence of a Recruitment Incentive. (Also see 5 CFR 575.106)

4.2.7.1.2.1. **(Added-USAFE)** Incentives may be used in conjunction with a competitive fill, a management-directed reassignment/ change-to-lower-grade (CLG), or a non-competitive re-promotion personnel action. Incentives are to increase the likelihood of high-quality employees applying for hard-to-fill positions. It is a tool and should only be used as a tool to encourage applicants to seek AF civilian positions. The criteria for offering an incentive are based on a position analysis. Each incentive paid is based on a determination that the office with the vacancy would encounter difficulty in filling the position, absent the incentive. The decision to offer an incentive must be made prior to submitting a Request for Personnel Action (RPA) to the Air Force Personnel Center (AFPC). In determining whether an incentive could be paid, the following five criteria are established to help managers determine if an incentive is appropriate.

4.2.7.1.2.2. **(Added-USAFE)** Need for Expedited Hiring Authority/ (EHA)/Direct Hiring Authority (DHA)/Schedule A Authority for Cyber Positions. DoD/AF Mission Critical Occupations (MCO). Less than 5 Eligible Applicants on previous/similar Referral Certificate (same grade, location & series) Located at a hard-to-fill (HTF) location as determined by the local CPS. Request for Personnel Actions (RPA) historically/currently takes greater than 300 days to fill.

4.2.7.1.2.3. **(Added-USAFE)** The servicing CPS will provide additional information on all the above criteria. However, the approval of an incentive should be a carefully used negotiating tool for selecting supervisors. As such, the selecting official may choose to offer the potential selectee an incentive that is less than what was originally approved or offer nothing at all if the manager does not believe it is necessary to offer the incentive to have an applicant accept a job offer.

4.2.7.1.3. **(Added-USAFE)** . An employee must sign a written Service Agreement to complete a specified period of employment. It is USAFE policy for use of

Recruitment Incentives that Service Agreements will match the employee's tour obligation.

4.2.7.2. **(Added-USAFE)** Retention Incentives may be paid when an employee is likely to leave for a different Federal position before the closure or relocation of the employee's office, facility, activity or organization, or when the employee is likely to leave the Federal service.

4.2.7.2.1. **(Added-USAFE)** Retention Incentives may be paid to a current employee based on a special need for the employee's services or unusually high or unique qualifications that makes it essential to retain the employee in his or her current position.

4.2.7.2.2. **(Added-USAFE)** Retention Incentives may only be paid up to 25% of employee's basic rate of pay and if the employee's current rating of record is at least "fully successful" or the equivalent. Groups of employees may receive a Retention Incentive of up to 10 percent of basic pay based on high or unique qualifications or a special need.

4.2.7.2.3. **(Added-USAFE)** Retention Incentives will be extremely limited in USAFE and only for critical skills or in certain situations. They will not be solely tied to extensions or an employee's DEROS in order to retain them beyond their tour. An example of when a Retention Incentive may be appropriate is if an employee with a critical skill set has received a notice of job abolishment and accepts a job somewhere else prior to the DEROS. This is called the "jumping ship" syndrome. In order to use the Retention Incentive in these cases there must be little, if any, likelihood of being able to fill the position (as the approaching abolishment date makes it impossible to fill or there is an inability to hire due to undesirability of the location/position based on circumstance surrounding the abolishment).

4.2.7.2.4. **(Added-USAFE)** The incentive may be paid to a current employee in the following situations: 1) who has unusually high or unique qualifications who have received an employment offer outside the federal government; 2) the employee has received specific written notice their position will be affected by the closure or relocation of the office, facility, activity, or 3) the organization/agency has a special need for the employee's service.

4.2.7.2.5. **(Added-USAFE)** Due to the rotational nature of overseas tours, Retention Incentives will only be used in very rare instances in USAFE. Retention Incentive may not be offered for the sole reason of keeping an employee who has reached their DEROS and whom management wishes to extend.

4.2.7.2.6. **(Added-USAFE)** Retention Incentives may be used if there will be closure or relocation of the office, facility, activity, or organization in which an employee is located and the employee has specific skills needed to complete the closure/relocation. A Retention Incentive will not be paid if there are others with the skill set who could accomplish the same mission and there is time to bring on a new employee. Only in rare cases will the timeliness of filling a position be a factor in the final decision. Additionally, if the required timeframe goes beyond an employee's

current tour obligation, there must be an approved extension on file before a Retention Incentive can be offered.

4.2.7.2.7. **(Added-USAFE)** The requirement for Service Agreements vary for Retention Incentives. Service Agreements will typically match the date on which the employee's special skills are no longer required or the date position is actually affected by a relocation/closure. Service Agreements may not be for less than six months nor may they exceed four years.

4.2.7.3. **(Added-USAFE)** Relocation Incentives may be paid (up to 25% of the annual rate of pay) to entice current Federal employees to positions that would otherwise be "hard to fill". In return, the employee must sign a Service Agreement.

4.2.7.3.1. **(Added-USAFE)** A Relocation Incentive may be paid to a current employee who relocates to accept a position in a different commuting area.

4.2.7.3.2. **(Added-USAFE)** To be eligible an employee must be well qualified and their current rating of record must be at least "Fully Successful" or equivalent.

4.2.7.3.3. **(Added-USAFE)** A Relocation Incentive may not be paid until the employee establishes residence in the geographical area and a Service Agreement is signed.

4.2.7.3.4. **(Added-USAFE)** An employee must sign a written Service Agreement to complete a specified period of employment. It is USAFE policy for use of incentives that Service Agreements will match the employee's tour obligation.

4.3. Request Procedures. Request packages must identify:

- The employee's pay plan, occupational series, grade, step, and annual salary.
- The requested percentage with rationale.

4.3.1. **Approving Officials:** • May return a package without further action if they disapprove a request at any time in the approval process.

- May not approve a greater bonus or allowance than the coordinating official has recommended.

4.3.1.1. **Category I.** The career program PALACE team chiefs will prepare the request package and send it through AFPC/DPK for review and to HQ USAF/DPCE, 1040 Air Force Pentagon, Washington DC 20330-1040. HQ USAF/DPCE will forward package to HQ USAF/DPC for coordination. After coordination by HQ USAF/DPC, the package will be forwarded to the Career Program Policy Council Chair. If the Chair concurs, the package will be returned to the recruiting unit or career program to be included in the processing package for the employee. The processing package (personnel actions) will be sent to the servicing personnel office for final processing.

4.3.1.2. **Category IIa.** The gaining supervisor, with assistance from the servicing personnel office:

- Prepares the request.
- Sends it to the appropriate career program PALACE Team at AFPC/DPK, 555 E Street West, Suite 1, Randolph AFB TX 78150-4530.

4.3.1.2.1. The PALACE team:

- Reviews the package.
- Sends it along the same path as described in [4.3.1.1](#).

4.3.1.3. **Category IIb and IIc.** The MAJCOM sends the request package to AFDPS, 1040 Air Force Pentagon, Washington DC 20330-1040.

4.3.1.3.1. The MAJCOM sends packages for Schedule C employees (GM-15 and below) to 11 MSS/DPC, 1460 Air Force Pentagon, Washington DC 20330-1460.

4.3.1.4. **Category III.** Process the package in accordance with local procedures.

4.3.1.4.1. **(Added-USAFE)** Requests for Category III employees must include all requirements under Chapter 4. The request must be submitted up the supervisory chain to the Group Commander/Directorate/equivalent. The Group Commander/Directorate/equivalent will route to the servicing CPS for recommendation. The CPS provides a recommendation back to the Group Commander/Directorate/equivalent for consideration. From there the Group Commander/Directorate/equivalent will review recommendation and provide concurrence/non-concurrence. If the Group Commander/Directorate/equivalent concurs, s/he will route the package to the Installation Commander or Appointing Official for final approval. For HQ USAFE and NAF positions, the HQ USAFE/CV will decide as the CRCB chair.

4.3.1.4.1.1. **(Added-USAFE)** Any management official in the supervisory chain may non-concur on the package. If non-concurred by a management official, the package is considered disapproved and no further coordination is possible. All management officials must approve of the request for continued coordination.

4.4. Case-by-Case Determinations. Decide whether to pay a recruitment or relocation bonus or a retention allowance on a case-by-case basis. **EXCEPTION:** A MAJCOM may request a relocation bonus from the OPM through HQ USAF/DPCE when:

- Employees are members of a specific group (for example, Office of Special Investigations criminal investigators) who are subject to a mobility agreement and a determination is made the relocation bonuses are necessary to retain employees.
- A major organization is relocated to a different commuting area and a determination is made the relocation bonuses will keep operations from being interrupted.

4.5. Paying, Reducing, and Discontinuing Recruiting and Relocation Bonuses and Retention Allowances:

4.5.1. **Recruiting and Relocation Bonuses.** Make payments in a lump sum as soon as possible after the bonus has been approved and the employee has reported for duty. Payments may not be made until after the employee has signed an agreement (see [Figure 4.1](#)) to serve a minimum of 12 months with the DoD.

4.5.1.1. **(Added-USAFE)** For Category III employees, Service Agreements will equal time required to complete either an initial or renewal tour length (depending on the employee's personal circumstance) for the assigned duty location. This will ensure responsible use of local funds and meet mission needs. USAFE CPSs should recommend

for Category I and IIa that recipients be required to serve a tour or renewal tour equivalent (as appropriate). However, for Category I and II employees, Service Agreements will ultimately follow direction provided by approving officials.

4.5.1.2. (Added-USAFE) Service Agreement lengths of time will be included in vacancy announcements so applicants understand/concur upfront.

Figure 4.1. Format for Service Agreement for Recruitment and Relocation Bonuses.

SERVICE AGREEMENT FOR RECRUITMENT AND RELOCATION BONUSSES

A. INTRODUCTION. The Air Force has delegated authority to approve a recruitment or relocation bonus to officials with appointing authority or their designee. The provisions of 5 U.S.C. 5753, subparts A and B, part 575 of title 5, Code of Federal Regulations, and Department of Defense (DoD) policies require, as a condition for receiving the bonus, that the employee sign a written service agreement to complete a minimum of 12 months with the DoD.

B. CONDITIONS OF SERVICE:

1. Employees who accept a recruitment or relocation bonus are required to serve a minimum of 12 months in the DoD. Failure to meet this requirement will place the employee in debt to the DoD and he or she will be required to repay the bonus on a pro rata basis. The amount to be repaid will be determined by providing credit for each full month of employment completed under the service agreement. Failure to complete the period of employment established under this service agreement will occur if the employee's service with the DoD is terminated before completion of the specified period of employment.

2. The bonus shall be calculated as a percentage of the employee's rate of basic pay and will be paid as a lump sum. Actual payment of the bonus will not occur until the employee has entered on duty or reported to the new duty location.

3. The bonus is subject to the aggregate limitation on pay prescribed in subpart B, part 530 of title 5, Code of Federal Regulations. It is also considered to be income for federal income tax purposes.

C. AGREEMENT. I, (name of employee), have read the preceding paragraphs and understand that I must complete at least 12 months of service in the Department of Defense as a condition of my receipt of a (type of bonus) bonus. I further understand failure to complete this period of service will result in my indebtedness to the federal government and I will be required to repay the bonus on a pro rata basis. I agree to these terms and accept a (type of bonus) bonus in the amount of ____percent of my basic pay.

Employee (Name) _____ Date _____

Approval Authority (Installation Commander or designee) _____ Date _____

4.5.2. **Retention Allowance.** Do not consider retention allowances to be part of basic pay. Pay them:

- In the same manner and at the same time as basic pay.
- For as long as the conditions require continuing the allowance.
- After an annual review and recertification, if the allowance continues beyond 12 months.

4.5.2.1. Reduce or discontinue the allowance at any time when:

- A lesser amount or no allowance at all would retain the employee.
- Labor market conditions have changed and you can recruit employees without paying a recruitment bonus.
- The need for the services of the employee have lessened.
- Budgetary concerns prevent payment.

4.5.2.2. The service agreement for relocation bonuses runs concurrently with the service agreement for a permanent change of station. Failure to complete the service agreement will obligate the employee to a pro rata repayment of the bonus.

4.6. Recording Recruitment and Relocation Bonuses and Retention Allowances. Approving officials are responsible for ensuring the basis for payment of the bonus or allowance is fully documented. This documentation will be retained in the servicing personnel office.

4.6.1. **(Added-USAFE)** Documentation will be scanned and profiled by servicing CPS into PARIS Library (or current automated Electronic Personnel File).

4.7. Supervisory Differentials. An official's decision to grant a supervisory differential, including the amount of the differential, must be reviewed and approved by an official at a higher organizational level. See table A3.1 for a quick reference on granting supervisory differentials.

4.7.1. Officials with delegated review and approval authority may designate subordinates to make initial differential decisions, subject to the official's final review and approval. Designations must be in writing and be included in local operating instructions.

4.7.2. Only the Secretary or Deputy Secretary of Defense may approve supervisory differentials for individuals appointed to Schedule C positions. Requests for approval of supervisory differentials for Schedule C positions will be coordinated through 11 MSS/DPC and HQ USAF/DPC prior to submission to DoD.

4.7.3. Supervisory differentials:

- May not be paid if the subordinate upon which the differential is based is a foreign national (direct or indirect hire) or nonappropriated fund employee.
- Will be calculated and paid in accordance with 5 CFR 575.405.
- Will be adjusted and terminated in accordance with 5 CFR 575.406.
- Will be terminated within 30 calendar days after the subordinate position or positions used as the basis for a supervisory differential becomes vacant.

4.8. Documenting and Recording Supervisory Differentials. Approving officials document the granting of a supervisory differential. Documentation includes:

- Sufficient information for reconstructing the action.
- Basis for determining the amount of the differential.
- The comparison of continuing pay required by 5 CFR 575.405.

4.8.1. The civilian personnel flight will maintain supervisory differential documentation.

Chapter 5

SUPERIOR QUALIFICATION APPOINTMENTS

5.1. Introduction. The Delegation Agreement between DoD and OPM, dated 13 Jun 80, authorized DoD to administer certain authorities previously reserved to OPM. Included under this agreement is the authority to set advanced in-hire rates based on superior qualifications or the agency's need for the candidate's skill for employees under the General Schedule.

5.1.1. **(Added-USAFE)** Decision regarding superior qualifications must be made prior to an employee entering on duty.

5.2. Superior Qualification Appointments. The appointing authority or designee is authorized to approve higher rates of pay for an appointment of a specific individual with superior qualifications. The recommendation and coordination process is the same as it is for the recruitment bonus. See table [Table A3.1](#) for a quick reference on approving above minimum entry rates for superior qualifications.

5.2.1. Consider the advantages and disadvantages of all pay options when recruiting a candidate. Recruiting bonuses will not be used with superior qualification appointments unless comparable non-federal salaries justify both payments.

5.2.1.1. **(Added-USAFE)** Use of superior qualification appointments and setting pay at higher than Step 1 should be used only in rare occasions for those employees who not only meet the basic requirements of the program in having superior qualifications, but when other candidates cannot fill a specific need and management must entice candidates to federal positions.

5.3. Documenting and Recording Superior Qualification Appointments. Approving officials must fully document superior qualification appointments.

5.3.1. Documentation includes:

- A statement of the superior qualifications of the individual or the special need of the installation that justifies the appointment.
- Factors considered in deciding the employee's existing pay and in setting the pay at a higher rate than needed to match the individual's existing pay.
- Reasons for authorizing an advanced rate instead of or in addition to a recruitment bonus.

5.3.1. **(USAFE)** Documentation includes:

5.3.1.1. **(Added-USAFE)** . The statement of the superior qualifications of the individual or the special need of the installation must justify the appointment at a step within the GS grade rate range above the first step.

5.3.1.2. **(Added-USAFE)** Factors and supporting documentation considered in deciding the employee's existing pay and in setting the pay at a higher rate than required to match the individual's existing pay i.e., on a comparison of total compensation that the candidate is currently receiving, or formerly received and the proposed position as well as the unwillingness to accept the job offer at less than advanced pay rate.

5.3.1.3. **(Added-USAFE)** The success of recent of recent efforts to recruit candidates for the same or similar positions.

5.3.1.4. **(Added-USAFE)** The use of a Recruitment Incentive must be considered and the reasons for authorizing an advanced rate instead of, or in addition to, a recruitment bonus must be documented.

5.3.2. Approving officials make their documents available for review upon request.

5.3.2.1. **(Added-USAFE)** All requests must be coordinated through the servicing CPS prior to approving official decision. CPS must provide recommendation in relation each specific request, in writing, to the approving official regarding use of superior qualifications against pay setting guidance.

5.3.3. When coding superior qualification appointments into the Defense Civilian Personnel Data System (DCPDS), use pay rate determinant "5" or "7."

5.4. Prescribed Form. AF Forms 428, Request for Overtime, Holiday Premium Pay and Compensatory Time

Chapter 6 (Added-USAFE)

STUDENT LOAN REPAYMENT PROGRAM.

6.1. (Added-USAFE) Introduction. Student Loan Repayment of federally insured student loans may be used as a recruitment or Retention Incentive for candidates or current employees if USAFE, in the absence of the repayment, would otherwise encounter difficulty in filling the position or retaining the employee.

6.2. (Added-USAFE) Eligibility. This authority applies to employees (as defined by 5 USC 2105) covered under the GS and certain excepted service pay plans. Consider the advantages and disadvantages of all pay options when obligating funds to repay student loans.

6.2.1. **(Added-USAFE)** Approving officials may offer student loan repayments to facilitate the recruitment or retention of highly qualified employees who meet the eligibility criteria established in 5 CFR 537.104 as follows: Temporary employees who are servicing on an appointments leading to conversion to term or permanent appointments; term employees with at least 3 years left on their appointment; permanent employees; or, employees servicing on excepted appointments with conversion to term, career, or career-conditional appointments (including but not limited to, Career Intern or Presidential Management Intern appointments).

6.2.1.1. **(Added-USAFE)** Eligibility includes all highly qualified employees regardless of job series including Senior Executive Service, Federal Wage System, Defense Civilian Intelligence Program, and employees covered by administratively determined pay systems unless specifically excluded by law or regulation.

6.2.1.2. **(Added-USAFE)** Employees in positions excepted from the competitive civil service because of their confidential, policy-determination, policy-making, or policy-advocating character, etc. (i.e. Schedule C employees) are not eligible.

6.2.1.3. **(Added-USAFE)** Loans eligible for payment are those made, insured, or guaranteed under parts B, D, or E of title IV of the Higher Education Act of 1965 or a health education assistance loan made or insured under part A of Title VII or part E of Title VIII of the Public Health Service Act.

6.2.1.4. **(Added-USAFE)** Installations can repay more than one loan as long as the loan repayments do not exceed \$6,000 per year/\$40,000 lifetime limit. Approving officials shall not authorize payments to cover accrued penalties or late fees associated with the loan(s).

6.2.1.5. **(Added-USAFE)** The employee is responsible for continuing to make loan payments on the portion of the loan for which s/he is responsible and for any income tax obligations resulting from the student loan benefit.

6.2.2. **(Added-USAFE)** It is AF policy that Student Loans meeting the eligibility requirements may be repaid to the holder of the loan up to \$6,000 over a 12 month service period for an aggregate limit of not more than \$40,000 per employee.

6.2.2.1. **(Added-USAFE)** By exception, the aggregate loan repayment may be approved above the AF imposed limit of \$40,000 up to the statutory \$60,000 maximum. Only

installation commanders with appointing authority (or HQ AFPC/CC for centrally funded student loan repayments administrators by the career programs) may approve exceptions.

6.2.2.2. **(Added-USAFE)** A copy of each exception must be forwarded to the owning MAJCOM/A1K for information.

6.3. (Added-USAFE) Criteria for student loan repayment plan.

6.3.1. **(Added-USAFE)** When used as a recruitment tool, there must be justification that, in the absence of offering loan repayment benefits, the installation or organization would have difficulty in filling the position with a highly qualified employee. For USAFE, a statement will be added to the job announcement when the student loan repayment is authorized.

6.3.1.1. **(Added-USAFE)** Determinations for recruitment purposes (including the amount to be paid) must be made before the employee enters on duty.

6.3.2. **(Added-USAFE)** When used as a retention tool, there must be justification addressing the unique qualifications of the employee or special needs of the agency for the employee's services make it essential to retain the employee, and that in the absence of the offering student loan repayment benefits, the employee would be likely to leave for the employment outside of the Federal service. This determination must be based on a written description of the extent to which the employee's departure would affect the installation's or organization's ability to carry out an activity or perform a function that is deemed essential to its mission.

6.3.3. **(Added-USAFE)** When selecting employees to be recipients, approving officials must ensure fair and equitable treatment.

6.3.3.1. **(Added-USAFE)** Approving officials will determine the amount of the loan repayment based on the employee's value to the activity and budgetary considerations.

6.3.3.2. **(Added-USAFE)** Approving officials are responsible for verifying if, and the amount, of previous student loan repayments, if any, made by the DoD on the recipient's behalf prior to submitting a student loan for approval.

6.3.4. **(Added-USAFE)** For locally funded student loan repayments, management must identify (in writing) the basis for each student loan to comply with Office of Personnel Management (OPM) regulation 5 CFR 537.105. The requesting official must submit documentation (in writing) that includes a statement of the qualifications of the individual or the special need of the installation that justifies the repayment of the Student Loan.

6.3.4.1. **(Added-USAFE)** Also necessary are factors and supporting documentation considered in whether or not to pay. For example, packages may include a comparison of total compensation that the candidate will receive for the proposed position as well as the candidate's unwillingness to accept the job offer/or remain in the position without the student loan repayment.

6.3.4.2. **(Added-USAFE)** The success of recent efforts to recruit candidates for the same or similar positions.

6.3.4.3. **(Added-USAFE)** Other incentives or flexibilities considered.

6.3.4.4. **(Added-USAFE)** All requests must be coordinated thru the servicing CPS prior to approving official decision. CPS must provide recommendation in relation each

specific request, in writing, to the approving official regarding use of student loan repayment against pay setting guidance.

6.3.4.5. **(Added-USAFE)** Approving officials must make their documents available for review upon request.

6.4. (Added-USAFE) Service Agreement. Prior to the repayment of a student loan the employee receiving this benefit must sign the AF approved student loan repayment form with a minimum three year Service Agreement. Where appropriate the approving official may seek an agreement requiring a period of service beyond the statutory minimum. The Service Agreement begins on the date stated in the agreement. Approving officials must work with their servicing CPS to determine the best length of time for a Service Agreement.

6.4.1. **(Added-USAFE)** Service Agreement will state the amount of the loan repayment authorized for each year of the recipient's service requirement.

6.4.1.1. **(Added-USAFE)** Repayment will be determined solely on the outstanding debt at the time the employee and activity enter into an agreement. Individuals who fail to complete their agreements must reimburse the Department of Defense (DoD) for the entire amount of all benefits. Reimbursements will be restored to the originating account.

6.4.1.2. **(Added-USAFE)** The Service Agreement may specify other employment conditions for continued authorization. This may include a requirement for the employee to perform specific duties, meet all conditions of employment for the position, and/or retain employment within the organization. These conditions must be defined on the first page of the Service Agreement under "Conditions of Employment".

6.4.2. **(Added-USAFE)** The student loan repayment is in addition to basic pay and any other form of compensation payable to the employee.

6.4.3. **(Added-USAFE)** The CPS will verify and retain with the Service Agreement proof of balance remaining on qualifying outstanding loans when the Service Agreement is made. A copy of the completed/signed Service Agreement will be given to the Defense Finance and Accounting Service (DFAS) Customer Service Representative (CSR) who will use the document to initiate payments to the lender on a biweekly basis.

6.4.4. **(Added-USAFE)** An employee must maintain an acceptable level of performance in order to continue to receive repayment benefits.

6.4.5. **(Added-USAFE)** An employee must reimburse the paying agency for all benefits received if he or she is separated voluntarily or separated involuntarily for misconduct, unacceptable performance, or a negative suitability determination under 5 CFR 731.

6.4.6. **(Added-USAFE)** Factors to Consider. The approving official must consider labor market conditions, any special qualifications, skills, or education needed for the position, the appropriateness of this incentive in lieu of, or in addition to, other incentives, the availability of funds, and the candidates' grade point average (if attending school), etc.

6.5. (Added-USAFE) Basis for Amount. In determining the size of the loan payments, an approving official should consider the value of the candidate to the need of the organization and how far in advance the organization can commit funds. The basis for the amount of the incentive and service period must be documented.

6.6. (Added-USAFE) Combined Usage. This incentive may be used in conjunction with any other incentive.

6.7. (Added-USAFE) Payment. Payments must be made directly to lenders/note holders, rather than the employee.

6.7.1. **(Added-USAFE)** DFAS will make payments to the lender on a biweekly basis. DFAS will determine the amount to be paid by dividing the annual repayment amount by the number of pay periods in the year for which payments are made. The loan repayment amount will be considered as taxable wages and tax withholding will be made on a biweekly basis as appropriate. The employer is not responsible for any late fees or penalties assessed by the loan holder(s) prior to, during, or subsequent to this agreement.

6.8. (Added-USAFE) Periods in a Non-Pay Status. Periods of leave without pay (LWOP) or other periods during which the employee is not in a pay status, do not count toward completion of the required service period.

6.8.1. **(Added-USAFE)** Absence because of uniformed service or compensable injury is considered creditable toward the required service period upon reemployment.

6.8.2. **(Added-USAFE)** Loan payments will not continue for periods of documented LWOP (i.e. personnel action) outside of those listed in 6.8.1. These periods of LWOP will result in corresponding loss in loan repayment benefits unless the Service Agreement is extended to cover “make-up” payments by the loan approving official.

6.9. (Added-USAFE) Employee Reimbursement. Employees who fail to complete the period of service specific in the Service Agreement are subject to debt collection processes as outlined in DoD 700.14-R, DoD Financial Management Regulation, Volume 8.

6.9.1. **(Added-USAFE)** Failure to complete the period includes resignation, transfer to a non-DoD agency or involuntary separation based on misconduct or performance.

6.9.2. **(Added-USAFE)** Transfer to another DoD agency will terminate payments from the Air Force but will not relieve the employee from completing the total period of service required in their Service Agreement.

6.9.3. **(Added-USAFE)** The approving official may waive all or part of a recovery if s/he feels the recovery would be against equity and good conscious or against the public interest.

6.10. (Added-USAFE) Documentation. Approving officials are responsible for ensuring the basis for repaying a student loan is fully documented in accordance with 5 CFR, Part 537.

6.10.1. **(Added-USAFE)** The servicing CPS will maintain documentation for each student loan repayment to include verification of the employee’s outstanding student loan; the manager’s approved justification for authorizing the loan repayment, and a copy of the Service Agreement. These records may be destroyed/deleted after 3 years or OPM formally evaluates the program, whichever comes first.

6.10.2. **(Added-USAFE)** In addition a copy of the Service Agreement will be filed on the left-hand side of the employee’s official personnel file and in the supervisor’s work folder for the locally approved repayments. The servicing CPS is responsible for profiling the information into electronic document library.

6.11. (Added-USAFE) By 15 Oct of each year the servicing CPS must provide the following to HQ USAFE/A1KKC for that fiscal year: the number of employees selected to receive a student loan repayment, the job classifications of the employees selected; and, the cost for the benefits provided.

6.11.1. **(Added-USAFE)** By 31 Oct of each year, the MAJCOM will report this information to HQ USAFE/A1PC.

6.12. (Added-USAFE) Processing. Processing an approved student loan repayment will be done in accordance with current AF processes.

Chapter 7 (Added-USAFE)

PERMANENT CHANGE OF STATION (PCS)

7.1. (Added-USAFE) While PCS costs are not a traditional Recruitment/Retention/Relocation (“3R”) incentive it is a hiring incentive. PCS funds will only be used to attract candidates to accept positions in USAFE where the local recruitment pool doesn’t provide the necessary skill sets.

7.1.1. **(Added-USAFE)** In USAFE, PCS costs may come with an additional entitlement to Living Quarters Allowance (LQA); therefore, PCSs should be used strategically to fill only those positions where there is a requirement to go outside the local commuting area for recruitment.

7.1.2. **(Added-USAFE)** While PCS costs are a factor, LQA eligibility is made on a case-by-case determination using many factors. Refer to CPS overseas benefits and entitlements POCs, the Joint Travel Regulations, Vol. II (JTR) and the Department of State Standardized Regulations (DSSR), DoDI 1400.25, Vol, 1250, and USAFE Instruction 36-705, for additional details and information.

7.1.3. **(Added-USAFE)** Employees are not authorized to pay to relocate themselves to USAFE. Therefore, any recruitment outside the commuting area must authorize PCS.

7.2. (Added-USAFE) PCS Guiding Principles.

7.2.1. **(Added-USAFE)** The JTR implement the Federal Travel Regulation codified in Title 41 CFR 300-304. In particular, JTR Chapter 5 covers “Permanent Duty Travel” for employees and dependents.

7.2.2. **(Added-USAFE)** IAW USAFE’s Fiscal Guidance, all PCS costs will to be assigned to Program Element (PE) 28561F and include Emergency Support (ESP) Code “PH” for ease of headquarters tracking, oversight and consolidated visibility. Starting in FY13, the proper Responsibility Center/Cost Center (RCCC) will be XX9040 only. In addition, ensure there are no element of expense investment codes (EEIC) 409 costs being incurred for local PCS expenses as all travel and transportation costs are covered under EEIC 42100 for local PCS moves.

7.3. (Added-USAFE) PCS Requirements.

7.3.1. **(Added-USAFE)** Employees' entitlement to return placement at the end of their tour is based on their appointment authority and they may only be selected if PCS costs are authorized. An example is a Veteran's Employment Opportunity Act (VEOA) candidate (even those hired locally) is entitled to return transportation at the end of his/her tour. Therefore, to ensure 100% visibility on PCS costs being spent in both current and out-years, PCS must be approved prior to selection of these candidates.

7.3.2. **(Added-USAFE)** A statement is required in the vacancy announcement if PCS costs will be paid. If PCS costs are not authorized by CRCB, a manager may NOT make a selection of an employee whose employment would create PCS obligations by default (i.e. VEOA, NAF Interchange, etc). As AFPC is required to refer all candidates, it is the

responsibility of the CPS to ensure managers/supervisors/leaders understand these unique OCONUS limitations.

7.4. (Added-USAFE) Rules of Engagement for US Civilian Locally Funded PCS.

7.4.1. **(Added-USAFE)** Prior to the start of the FY, the CPS is responsible for performing succession planning and recruitment analysis to determine the number of PCSs required during the upcoming FY and providing the data to the local Comptroller Squadron (CPTS) or HQ USAFE/FM (for HQ Directorates/NAF). This estimate must count both incoming and outgoing PCSs includes each expected/forecasted for that FY. The CPTS/FM will cost out the PCSs to do a best/worst/most likely scenario and each wing should include an estimated locally funded civilian PCS requirement within PEC 28561F in building their annual execution/civilian execution plan (CEP).

7.4.2. **(Added-USAFE)** Locally-funded PCS funds are part of the baseline program in the annual Execution/CEP. This provides both the responsibility and the flexibility for the organizations to manage, prioritize and fund this program. This provides bases the option to realign funds to sufficiently fund their PCS program. If unfunded disconnects cause civilian recruitment and/or hiring issues, bases should prioritize within the base unfunded requirement (UFR) list and communicate those shortfalls through both the A1 (wing CPS to USAFE/A1KK) and FM (wing FMA to USAFE/FMAO) functional channels. Elevating these funding disconnects will provide the opportunity for USAFE corporate structure consideration in the unfunded requirement process.

7.4.3. **(Added-USAFE)** Together the CPS and CPTS will brief functional inputs on PCSs for the upcoming FY and recommendations to the CRCB Chair for final decision.

7.4.3.1. **(Added-USAFE)** The CRCB Chair will approve/disapprove forecasted PCSs at the start of the FY during the CRCB. This will save time during the individual recruitment process and allow for planning for the entire year (avoiding late FY shortfalls) as the CPS will have approved PCSs on file.

7.4.3.2. **(Added-USAFE)** CPS will should include impact of recommendations/decisions (i.e. “most likely will be able to fill X out of X positions and how that impacts missions/employees).

7.4.3.3. **(Added-USAFE)** Requests for PCS not brought up during the CRCB must follow approved “out-of-cycle” process.

7.4.4. **(Added-USAFE)** Locally funded civilian PCS funds are typically managed as an organization’s centrally-managed program. However, a base may chose to decentralize execution and funds management through the CPS, if desired. In either case, the CPS and CPTS must work closely during the execution year to track expenditures against planned requirements to ensure program execution is on track compared to the wing CRCB approved plan.

7.4.5. **(Added-USAFE)** In each CRCB the status of PCSs and PCS funds will be briefed. Status will include those forecasted (initially, and any changes), those approved (initially and any changes), funds used to date, those forecasted vs. actual needed, trend for the rest of the FY, etc). These briefings will ensure all parties understand the needs and status of PCS funds throughout the entire FY.

7.4.5.1. **(Added-USAFE)** If funds are required that cannot be funded locally, the issue should be discussed at the CRCB and a plan approved to address. This plan should look to rescope requirements, internally realign dollars from other wing priorities, or lastly prioritize as unfunded requirement within the wing's prioritized list.

7.4.6. **(Added-USAFE)** CPTS and CPS should ensure CRCB Chair understands once local funding options are exhausted an "unfunded requirement" can be submitted for civilian PCS funds. Requests are submitted via normal wing unfunded process, reviewed by the HQ functional, and prioritized by the USAFE Corporate Structure for funding consideration.

MICHAEL D. MCGINTY, Lt General, USAF
DCS/Personnel

(USAFE)

CHRISTOPHER C. SHARPE, Colonel, USAF
Director, Manpower, Personnel, and Services

Attachment 1

GLOSSARY OF TERMS

Terms

Administratively Uncontrollable Overtime (AUO)—Administratively uncontrollable overtime is premium pay paid on an annual basis to an employee in a position in which the hours of duty cannot be controlled administratively and which requires substantial amounts of irregular or occasional overtime, with the employee being responsible for recognizing, without supervision, circumstances which require the employee to remain at work.

Agency—Agency shall mean the Department of the Air Force.

Air Force Repromotion Rule—Repromotion occurs when an employee who was changed to a lower grade is promoted from that lower grade. Change to lower grade must have been in the DoD and caused by the employee to transfer with their function or by a reduction in force or reclassification. Pay is set at the highest of the following rates: Current rate for grade and step employee held before change to lower grade, GS mandatory promotion rule, top step of grade employee is being promoted to when the employee's current rate is more than the top step of the grade, or a higher rate if employee is entitled to retain such a rate (e.g., pay retention).

Change to Lower Grade (CLG)—For GS, the change of an employee while continuously employed from (a) one GS grade to a lower GS grade, with or without reduction in pay, or (b) a higher representative rate in another pay system to a lower representative rate within a GS grade. For FWS, change of an employee while continuously employed to (a) lower grade under the same wage schedule, whether in the same or different wage area, or (b) to a job or grade with a lower representative rate under a different pay system.

Conversion—A conversion occurs when an Air Force employee is given another appointment (e.g., temporary to career-conditional) without a break in service of more than three calendar days.

Existing Rate of Pay—The rate received immediately before the effective date of a transfer, promotion, change to lower grade, within-grade increase, or (for FWS) revision of a wage schedule.

Federal Wage System (FWS)—The pay system for employees working in trades, crafts, skilled and unskilled laboring positions. FWS employees are paid on an hourly basis and their pay is determined by the prevailing rate paid to employees working under similar conditions in the same local area. Prevailing rate positions are appropriated fund positions composed of a nonsupervisory grade (WG), leader grade (WL), and a supervisory grade (WS). Nonsupervisory and leader regular wage schedules have 15 grades and 5 rates of pay. Supervisory regular wage schedules have 19 grades and 5 rates of pay.

General Schedule (GS)—The pay system for employees who work in positions classified in administrative, clerical, professional, and technical occupations. The GS is a schedule of annual rates of basic pay, consisting of 15 grades, designated "GS-01" through "GS-15" with ten rates of pay for each grade.

Governmentwide FWS Mandatory Promotion Rule—Pay on promotion is set at a rate that exceeds the FWS employee's existing scheduled rate of pay by at least four percent of the

representative rate of the grade from which the employee is promoted. If the top step of the grade is exceeded, pay is set at the top step.

Governmentwide GS Mandatory Promotion Rule—Pay on promotion is set at a rate that exceeds the GS employee's existing rate of pay by at least two step increases. If the top step of the grade is exceeded, pay is set at the top step.

GS Maximum Payable Rate—The lowest rate on the current pay scale of the employee's grade that is equal to or exceeds his or her highest previous rate.

Head of Agency—Head of agency shall mean the Secretary of the Air Force or his or her designee.

Highest Previous Rate (HPR)—Highest previous rate must be based on an employee serving on a regular tour of duty at the higher rate under an appointment not limited to 90 days or less; or the employee has served at least 90 continuous days under one or more appointments without a break in service. (**NOTE:** Establish pay under these conditions with caution. Before setting the pay, consult 5 CFR 531.203(c) and (d) for GS employees, and OPM Operating Manual - Federal Wage System, Subchapter 8-3c and "e" for FWS employees. In the Air Force, HPR is not authorized when it was earned prior to a two-year break in service.)

Locality Pay—Locality-based comparability payments for GS employees. Locality pay is basic pay only for purposes of retirement (Civil Service Retirement System, Federal Employees Retirement System, and the Thrift Savings Plan), life insurance, premium pay (including overtime pay, hazard pay, and standby duty pay), severance pay, and lump-sum payments for annual leave. Locality pay is not basic pay for within-grade increases, promotions, pay retention, highest previous rate, recruitment and relocation bonuses, retention allowances, supervisory differentials, and other payments or benefits calculated as a percentage of basic pay.

Mandatory Restoration—Situation where employee is entitled to be reemployed, and when reemployed, their employment status must be restored as if they never left federal civilian employment.

New Appointment—First appointment, regardless of tenure, as an employee of the federal government or the government of the District of Columbia. This appointment may be temporary or permanent.

One Cent Rule—The minimum pay raise on promotion from FWS to GS is one cent higher than the employee's current rate of pay.

Promotion—For GS, change of an employee while continuously employed from (a) one GS grade to a higher GS grade, or (b) a lower rate of pay under another pay system to a higher rate within a GS grade. For FWS, change of an employee while continuously employed (a) to a higher grade under the same type of wage schedule, whether in the same or a different wage area, or (b) to a grade in a pay system with a higher representative rate.

Rate of Basic Pay—For GS, rate of pay fixed by law or administrative action for the position held by an employee before any deductions and exclusive of additional pay of any kind. For FWS, rate of pay fixed by law or administrative action for the position held plus any night and environmental differential pay.

Reassignment—Change of an employee while continuously employed in the same agency from one job to another without promotion or change to lower grade.

Reemployment—Employment, including reinstatement or another type of appointment, after a break in service.

Reinstatement—Reemployment of a former employee based on the employee's previous career or career-conditional employment.

Representative Rate—Rate used to determine the nature of job change (promotion, change to lower grade, reassignment) where different kinds of pay schedules are involved. The representative rate for GS is step 4; for FWS, step 2.

Servicing Personnel Office—The AFPC, Civilian Personnel Operations, or until servicing is transitioned to the AFPC, the Civilian Personnel Flight (CPF), test civilian personnel field operating agencies, or a personnel office of another component servicing Air Force employees.

Special Rate—Used to provide higher pay rates to address recruitment or retention problems across an occupation resulting from higher non-federal rates, remoteness of location, undesirable working conditions, or other appropriate circumstances.

Superior Qualifications Appointment—Appointment of a specific individual with superior qualifications for a position, made at a rate above the minimum rate.

Supervisory Differential—Supervisory differentials may be paid to a GS or GM employee responsible for providing direct, technical supervision over the work of one or more civilian employees not covered by the GS or GM system if the continuing pay of one or more of the subordinates would, in the absence of such a differential, be more than the continuing pay of the supervisor. Continuing pay is defined in 5 CFR 575.405.

Transfer—Change of an employee, without a break in service from one branch of the federal government (Executive, Legislative, Judicial) to another, or from one agency to another.

Attachment 2

SETTING RATES OF PAY

Table A2.1. Setting Rates of Pay.

RU LE	TYPE OF ACTION	AND	AND	PAY IS SET AT
1	New Appointment			Step 1
1A		Use of superior or special qualifications has been approved, or lead agency designated FWS minimum step rate above step 1		A step other than step 1
2	Reemployment (voluntary separation)	To a permanent appointment	Break in service of 2 years or less	Rate determined by HPR or GS maximum payable rate rule, whichever is most beneficial, provided HPR or GS maximum payable rate earned in the last two years
2A			Break in service of more than 2 years	Step 1
2B		To a term appointment	Break in service of 2 years or less	Rate determined by HPR or GS maximum payable rate rule, whichever is most beneficial, provided HPR or GS maximum payable rate earned in the last two years
2C			Break in service of more than 2 years	Step 1
2D		To a temporary appointment	Break in service of 2 years or less	Rate determined by HPR or GS maximum payable rate rule, whichever is most beneficial, provided HPR or GS maximum payable rate earned in the last two years
2E			Break in service of more than 2 years	Step 1

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
3	Reemployment (involuntary separation)	Placement from PPP, except for Program S (military spouse), and Interagency Career Transition Program		A step at least equal to the current rate for the grade and step held at separation or top step if it is greater. Compare this to HPR or GS maximum payable rate, setting pay at rate providing greatest benefit.
3A		Placement from RPL		
4	Reemployment (mandatory restoration rights)			A rate at least equal to the rate the employee would be receiving if he or she never left federal civil service
5	Reemployment (injured worker)	Employee is receiving workers compensation	Reemployed at last grade held and then changed to lower grade	Pay retention
6	Conversion at the same grade	Employment is continuous	Offer is to permanent or temporary appointment	The step at least equal to the current step
6A			FWS employee being converted from one wage area to another	The wage rate of the gaining activity
6B	Conversion at the same grade	From temporary to permanent appointment		The step at least equal to the current step. Set pay to include WGI if time requirement met under temporary appointment.
7	Conversion to a higher grade			One of the following rates: Governmentwide GS mandatory promotion rule, FWS promotion rule, AF repromotion requirement, HPR, or GS maximum payable rate rule, whichever is the most beneficial. Set pay at the step at least equal to current rate.
8	Conversion to a lower grade			Unless entitled to grade or pay retention, step of the lower grade which upon repromotion will not exceed that previously held in the higher grade

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
8A			From temporary to permanent appointment	Step of the lower grade which upon repromotion will not exceed that previously held in the higher grade
8B		Change to lower grade from a permanent (non-temporary appointment)	Employee is other wise eligible	Grade and/or pay retention
9	Reassignment	Within same wage or GS locality pay area		No change in pay
9A		From regular to special pay schedules	And action is voluntary	The same step in the special schedule as in the regular schedule
9B		From special to regular pay schedules	And action is voluntary	The same step in the regular schedule as in the special schedule.
9C			Employee was in voluntarily reassigned	Pay retention
9D		Change between wage areas	Move is to wage area with higher rates	The new wage area rate for grade and step
9E			Move is to wage area with lower rates	Rate at least equal to existing rate before the move but no higher than step 5 of the new wage area
9F		Changes between GS locality areas		Base pay plus locality rate for the new area
9G		From GM to GS position		The step that equals or exceeds the current rate of pay. If rate falls between two steps, the higher step is used.
10	Promotion	From GS to GS position		Step that exceeds existing pay by at least two steps, but no higher than step 10, HPR, or GS maximum payable rate, whichever is most beneficial.

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
10A		From FWS to FWS position		Step that exceeds existing pay by 4% of the representative rate of grade from which promoted, but no higher than step 5, HPR, or GS maximum payable rate, whichever is most beneficial.
10B	Promotion	From FWS to GS position		The rate that exceeds existing pay by one cent, HPR, or GS maximum payable rate, whichever is most beneficial.
10C		From GS/GM to FWS position		The lowest FWS step that exceeds the employee's existing rate by 4% of GS representative rate of current position, HPR, or GS maximum payable rate, whichever is most beneficial.
10D		From GM to GS position		Use GS mandatory promotion rule IAW 5 U.S.C. 5334(b), HPR, or GS maximum payable rate, whichever is most beneficial.
10E		From regular to special pay schedule		On the regular pay schedule, determine the step of the new grade using the GS two-step rule; use this step of the special schedule, or HPR, or GS maximum payable rate, whichever is most beneficial.
10F		From special to regular pay schedule		On the special pay schedule, determine the step of the new grade using the GS two-step rule; use this step of the regular schedule, or HPR, or GS maximum payable rate, whichever is most beneficial.
10G		Air Force Repromotion Requirement	Employee promoted to a grade from which involuntarily changed	A rate at least equal to the current rate of the grade and step from which demoted

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
10H			Employee's retained pay is higher than top step of new grade	Stay on retained pay
11	Change to lower grade	Action is voluntary		Unless entitled to grade or pay retention, step of the lower grade which upon repromotion will not exceed that previously held in the higher grade.
11A			Employee enters a formal training program or DOP	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention
11B	Change to lower grade	Action is voluntary	Employee accepts lower grade for nondisciplinary reasons of ill health or physical/mental inability	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention
11C			Position is "hard-to-fill"	
11D			Employee is referred and selected from a career program certificate	
11E	Change to lower grade	Action is voluntary	Employee returning from overseas assignment according to terms of a preestablished agreement	Set at the first rate that equals or exceeds the existing basic rate of pay. If existing rate exceeds maximum rate of the grade, apply pay retention
11F			Employee accepts lower grade to lessen impact of RIF	Grade and pay retention

RULE	TYPE OF ACTION	AND	AND	PAY IS SET AT
11G			Returning employee to permanent grade after temporary promotion	The rate that would have been attained if temporary promotion had not occurred
12	Change to lower grade	Involuntary action	Action caused by employee's failure to perform acceptably or for disciplinary reasons	Rate from step 1 up to step of the lower grade which if repromoted will not exceed that previously held in the higher grade
12A			RIF, reclassification	Grade and pay retention when requirements are met
12B			Failure to successfully complete supervisory/managerial probation	Use governmentwide minimum requirement
12C			DoD employee accompanying military/civilian sponsor	If the existing rate of pay falls between two steps of the lower grade, pay will be set at the higher step. Pay will be set at an even higher step in the lower grade, in accordance with the HPR rule, if the employee has earned entitlement to a higher rate by service in another position.

Attachment 3

AIR FORCE PAY FLEXIBILITIES

Table A3.1. Air Force Pay Flexibilities.

Type of Authority	Purpose	Approval Authority	Coverage	Applies Case-by Case or to Groups	Limits on Pay	May Be Used in Combination With
Recruitment Bonuses (up to 25% of basic pay)	To enable an agency to fill a position with a candidate from outside federal employment	See Table A4.1.	GS/GM, Senior-Level/ ST, SES, law enforcement officers, Executive Schedule, Presidential appointees, civilian faculty members at AU and USAFA; others with OPM approval	Case-by-case	Subject to EX-I aggregate pay limitation (NOTE: EX = Executive Level)	Special rates, above-minimum entry rates, waiver of dual compensation limitations, critical pay authority, travel expenses, advance payments
Relocation Bonuses (up to 25% of basic pay)	To enable an agency to fill a position with a current federal employee who must relocate to accept the position	Same as above	Same as above	Same as above	Same as above	Special rates, retention allowances, waiver of dual compensation limitations, critical pay authority*

Type of Authority	Purpose	Approval Authority	Coverage	Applies Case-by Case or to Groups	Limits on Pay	May Be Used in Combination With
Retention Allowances (Up to 25% of basic pay)	To enable retention of high quality employee or one for whom agency has special need and who probably would otherwise leave federal service	Same as above	Same as above	Same as above	Same as above	Special rates, critical pay authority
Retention Allowances (Up to 25% of basic pay)	To enable retention of high quality employee or one for whom agency has special need and who probably would otherwise leave federal service	Same as above	Same as above	Same as above	Same as above	Special rates, critical pay authority
Waiver of Dual Compensation Limitations for Reemployed Annuitants	To enable an agency to recruit/retain a military or civilian retiree when there is exceptional difficulty in recruiting or retaining a qualified employee	OPM, or DoD (base closure/ temporary positions) through HQ USAF/ DPC	Any pay system or position	Case-by-case	None	Recruitment bonuses, above-minimum entry rates, special rates, critical pay authority

Type of Authority	Purpose	Approval Authority	Coverage	Applies Case-by Case or to Groups	Limits on Pay	May Be Used in Combination With
Supervisory Differential (Up to 3% of continuing annual pay)	To compensate General Schedule (GS) employees who technically supervise one or more civilian employees in a different pay system (e.g., FWS) whose continuing pay is more than the supervisor's	Official in organizational level higher than recommending official	General Schedule (GS)	Case-by-case	Cannot exceed EX-I (except with President's written approval)	Continuing pay, e.g., COLAs, special law enforcement pay, staffing differential, retention allowance, annual premium pay, post differentials, remote worksite allowance, or physicians comparability

Type of Authority	Purpose	Approval Authority	Coverage	Applies Case-by Case or to Groups	Limits on Pay	May Be Used in Combination With
Special Rates	To provide higher pay rates to address recruitment or retention problems across an occupation resulting from higher non-Federal rates, remoteness of location, undesirable working conditions, or other appropriate circumstances	OPM, DoD Wage Setting Division	Any pay system established by federal statute	All positions in covered grades, occupational series, and locations	Basic pay (including special rate) cannot exceed EX-V	Recruitment bonuses, relocation bonuses, retention allowances, above-minimum Entry rates, waiver of dual compensation limitations
Above Minimum Entry Rates (superior qualification appointments)	To enable an agency to recruit an individual with high or unique qualifications or for whom the government has a special need	See Table A4.1.	GS	Case-by-case	Cannot exceed maximum rate of the grade	Special rates, recruitment bonuses, waiver of dual compensation limitations

NOTE: *While a relocation bonus could be paid to an employee who is receiving a retention allowance, a retention allowance cannot be authorized for an employee who is fulfilling a service agreement for a relocation bonus. Note also that, although a relocation bonus and a recruitment bonus cannot be paid to the same employee concurrently, approval could be granted to pay a relocation bonus to an employee who had previously received a recruitment bonus. This would

be appropriate only in rare situations where the need for relocation could not have been foreseen when the recruitment bonus was offered.

Attachment 4

CHAIN OF AIR FORCE APPROVAL AUTHORITIES

Table A4.1. Chain of Air Force Approval Authorities.

	RECOMMEND	COORDINATE	APPROVE
CATEGORY I			
PALACE Acquire PALACE Knight COPPER Cap Career Development/ Broadners	PALACE Teams	HQ USAF/DPC Career Program Policy Chair	Installation Commander or designee
CATEGORY II			
Career Programs	Gaining Supervisor	PALACE Team Chief HQ USAF/DPC Career Program Policy Chair	Installation Commander or designee
SES/Senior Level (Career)	MAJCOM Commander	HQ USAF/DP	Executive Resources Board or SAF/OS for limited term and emergency SES appointments
SES (Noncareer)	SAF/AA	Executive Resources Board	Secretary or Deputy Secretary of Defense
Political Appointees Schedule C Appointments	SAF/AA	11 MSS/CC	Secretary or Deputy Secretary of Defense
CATEGORY III			
Locally Funded Locally Selected Employees	Gaining Supervisor	Second Level Supervisor	Installation Commander or designee

Attachment 5**IC 98-1 TO AFI 36-802, PAY SETTING****SUMMARY OF REVISIONS**

This interim change (IC) 98-1 provides for certain responsibilities on the part of commanders in managing civilian overtime and compensatory time. It also prescribes AF Form 428, Request for Overtime, Holiday Premium Pay and Compensatory Time.

3.1. Responsibilities:

3.1.1. Commanders. Commanders must continually ensure that overtime work occurs only pursuant to mission needs.

3.1.1.1. Review Defense Civilian Pay System (DCPS) reports: P6602R04, Overtime/Compensatory Time Review; P6602R05, Overtime/Compensatory Time Usage Report; and P6605R01, Control of Hours Report, to identify trends in excessive overtime usage.

3.1.1.2. Perform self-inspection of overtime and compensatory time usage and documentation.

5.4. Form Prescribed. AF Form 428, Request for Overtime, Holiday Premium Pay and Compensatory Time.